

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re:	:	Chapter 11
CIRCUIT CITY STORES, INC., <u>et al.</u> ,	:	Case No. 08-35653-KRH
Debtors.	:	(Jointly Administered)

**LIMITED OBJECTION BY CERTAIN LANDLORDS
TO THE MOTION OF DEBTORS FOR ORDER UNDER BANKRUPTCY CODE
SECTION 365(d)(4) EXTENDING TIME WITHIN WHICH DEBTORS
MAY ASSUME OR REJECT UNEXPIRED LEASES OF
NONRESIDENTIAL REAL PROPERTY**

Cardinal Capital Partners, Westfield, LLC, The Balogh Companies, Benenson Capital, The Daniel Group, Kingsport 98, LLC, and certain of their affiliates as set forth on Schedule A attached hereto (collectively, the “Landlords”), by counsel, hereby files this limited objection (the “Objection”) to the relief requested in the Motion of Debtors for Order under Bankruptcy Code section 365(d)(4) Extending Time within which Debtors may Assume or Reject Unexpired Leases of Nonresidential Real Property (the “Extension Motion”), and in support thereof, represent as follows:

Introduction

1. On November 10, 2008 (the “Petition Date”), the above-captioned debtors (the “Debtors”) filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States

Christopher L. Perkins (VSB No. 41783)
LeClairRyan, A Professional Corporation
Riverfront Plaza, East Tower
951 East Byrd Street, Eighth Floor
Richmond, Virginia 23219
(804) 783-7550

Niclas A. Ferland, Esq.
Ilan Markus, Esq.
LeClairRyan, A Professional Corporation
555 Long Wharf Drive, 8th Floor
New Haven, Connecticut 06509-0906
(202) 773-5026

Counsel for Cardinal Capital Partners and Affiliates

Code, as amended (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division (the “Bankruptcy Court”).

Objection

2. As of the Petition Date, the Landlords were landlords and certain of the Debtors were tenants pursuant to a total of 24 unexpired leases of nonresidential real property (the “Leases”) for (i) retail store space at enclosed malls which constitute “shopping centers” as that term is used in 11 U.S.C. § 365(b); (ii) stand-alone retail stores; and (iii) distribution and/or warehouse facilities.

3. Pursuant to the Extension Motion, the Debtors are seeking an extension of time to assume or reject leases pursuant to 11 U.S.C. § 365(d)(4), with regard to those leases set forth on Schedule A to the Extension Motion including all of the Leases other than a handful that are subject to store closing sales or were rejected as of the Petition Date (the “Extension Leases”).

4. The Landlords are principally concerned that the rents and charges will be paid by the Debtors on a timely basis. Although the Debtors recite that they “intend to remain current on all of their postpetition rent obligations arising from and after the Petition Date for those Leases covered by the extension sought by this Motion,” see Extension Motion at pp. 13-14, as of the filing of this Limited Objection the December rents have not been received by the Landlords or their lenders, as applicable.

5. In light of the fact that the Debtors are seeking this relief so early in this case and that there is a question as to whether the December rents have been paid, the Landlords request that the Debtors be compelled to demonstrate that the December rents have been sent to the proper addresses as required by the respective Leases.

WHEREFORE: the Landlords request that the court enter an order:

- a. sustaining this Limited Objection;
- b. requiring the Debtors to demonstrate that the December rents have been paid as required under the Leases; and
- c. granting the Landlords such other and further relief as the court deems appropriate.

Dated: December 3, 2008
Richmond, Virginia

LeClairRyan, A Professional Corporation

/s/ Christopher L. Perkins
Christopher L. Perkins (VSB No. 41783)
Riverfront Plaza, East Tower
951 East Byrd Street, Eighth Floor
Richmond, Virginia 23219
Tel: (804) 783-7550
Fax: (804) 783-7686
christopher.perkins@leclairryan.com

- and -

Niclas A. Ferland (NAF-5367)
Ilan Markus (IM-7174)
555 Long Wharf Drive, 8th Floor
New Haven, CT 06511
Tel: (203) 773-5026
Fax: (877) 783-2294
niclas.ferland@leclairryan.com
ilan.markus@leclairryan.com

Counsel for the Landlords

CERTIFICATE OF SERVICE

I hereby certify that on December 3, 2008, a copy of the foregoing Limited Objection to Motion for Order Extending Time Within Which Debtors May Assume or Reject Unexpired Leases of Nonresidential Property Entry of Appearance and Request for Service of Papers was served by electronic means via the Court's ECF/CM system, and to the following:

Daniel F. Blanks
McGuire Woods LLP
9000 World Trade Center
101 West Main Street
Norfolk, VA 23510

Dion W. Hayes
Douglas M. Foley
McGuire Woods LLP
One James Center
901 East Cary Street
Richmond, VA 23219

Greg M. Galardi
Ian S. Fredericks
Skadden, Arps, Slate, Meagher & Flom, LLP
One Rodney Square
P.O. Box 363
Wilmington, DE 19899-0636

Chris L. Dickerson
Skadden, Arps, Slate, Meagher & Flom, LLP
333 West Wacker Drive
Chicago, IL 60606

/s/ Christopher L. Perkins

Christopher L. Perkins

THE BALOGH COMPANIES					
Store Nos.	Entity	Property Address	Comments		
3203	Circuit Investors #2 Ltd., a Texas Partnership	4708 South Tamiami Trail Sarasota, FL 34231			
3202	Circuit Investors #2 Ltd., a Texas Partnership	7001 NW 4th Blvd. Gainesville, FL 32607			
825	Circuit Investors #2 Ltd., a Texas Partnership	3551 32nd Avenue Marlow Heights, MD 20748	Auction		
6057	Circuit Investors #2 Ltd., a Texas Partnership	3001 Airport Thruway Columbus, GA 31909			
			REJECTED		
6467	Circuit Investors #2 Ltd., a Texas Partnership	667 North Cockrell Hill Road Duncanville, TX 75116			
			REJECTED		
3501	Circuit Investors #2 Ltd., a Texas Partnership	10400 N Cental Expressway Dallas, TX 75231	Auction		
3100	Circuit Investors #3 Ltd., a Virginia Partnership	9900 West Broad St. Glen Allen, VA 23060			
	Westfield				
	Center	Tenant Entity			
420	Eastland	Circuit City Stores, Inc.			
3218	Gateway	Circuit City Stores, Inc.			
3123	Louis Joliet	Circuit City Stores, Inc.	Auction		
3662	Trumbull	Circuit City Stores, Inc.			
764	Wheaton	Circuit City Stores, Inc.			
	CARDINAL CAPITAL PARTNERS				
817	110 South Independence Blvd.	Virginia Beach			
6565	680 S. Lemon Avenue (Walnut)	City of Industry			
3303		600 West Hillcrest DriveThousand Oaks, CA	Auction		
4303		1560 Gateway Boulevard Fairfield, CA	Auction		
6030	1010 S. 54th Street	Ankeny	Rejected		
6027	6300 Muirfield Drive	Chicago	Rejection Pending		
3124		551 N. Milwaukee Ave.Vernon Hills, IL	Auction		
3112	2900 Highland Ave.	Downers Grove			
	Benenson				
3616	2885 Gender Road	Columbus			
6565	South Lemon Avenue	Walnut			
	Kingsport 98, LLC				
3252	1740 Idle Hour Road	Kingsport			
	The Daniel Group/SEA I, LLC				
805	1321 Huguenot Road	Molothian			